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In the Matter of the Application of
San Diego Gas & Electric Company
(U 902 G) and Southern California Gas
Company (U 904 G) for Authority to
Integrate Their Gas Transmission Rates,
Establish Firm Access Rights, and Provide
Off-System Gas Transportation Services.

Application 04-12-004
(Filed December 2, 2004)

NOTICE OF EX PARTE COMMUNICATION

Pursuant to Rules 8.2, 8.3 and 8.5 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) and State of California, Department of General Services, Natural Gas Services (DGS), and the Southern California Generation Coalition (SCGC) give notice of the following *ex parte* communication in this proceeding. The *ex parte* meeting was initiated by Norman Pedersen representing the Southern California Generation Coalition.

At 3:30 p.m. on November 14, 2006 in Room 5209 at the San Francisco office of the CPUC, Mr. Pedersen representing SCGC, Robert Pocta, Pearlie Sabino, and Diana Lee, representing DRA, and Marshall Clark and Henry Nanjo representing DGS, met with Rami Kahlon, advisor President Michael Peevey.

The communication was oral. Mr. Pocta and Ms. Lee explained that DRA opposed both the Proposed Decision (PD) and Alternate Proposed Decisions (APD) to implement the Firm Access Rights (FAR) proposal of Southern California Gas Company and San Diego Gas and Electric Company to, because FAR is unnecessary, unduly complex, would decrease customer flexibility, increase costs, and is opposed by a wide variety of customer groups and other market participants because of the increased risk and lack of corresponding benefits offered by FAR. Mr. Pocta explained that while DRA had supported a less onerous peaking rate when the Commission previously

considered that issue, it believed that the next Biennial Cost Allocation Proceeding would be the appropriate place to reconsider the peaking rate.

Mr. Clark and Mr. Nanjo explained that the FAR proposal in the PD and APD would be especially difficult for DGS, because it would layer increased complexity and decreased customer flexibility over existing state contracting rules.

Mr. Pedersen explained that the FAR proposal conflicts with the State's policies for reducing green house gas (GHG) emissions and it would make transportation of gas more expensive and difficult. Mr. Pedersen noted that the peaking rate demand charge should be adjusted to reflect the firm access charges that were paid on a reservation charge basis by a customer.

Copies of this Notice may be obtained by contacting Sue Muniz at (415) 703-1858 or sam@cpuc.ca.gov.

Respectfully submitted on Behalf of
Southern California Generation Coalition,
Department of General Services, and Division
of Ratepayer Advocates,

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/s/ **DIANA L. LEE**

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November 17, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of “**NOTICE OF EX PARTE COMMUNICATION**” in **A.04-12-004** by using the following service:

☒ **E-Mail Service:** sending the entire document as an attachment to an e-mail message to all known parties of record to this proceeding who provided electronic mail addresses.

☐ **U.S. Mail Service:** mailing by first-class mail with postage prepaid to all known parties of record who did not provide electronic mail addresses.

Executed on November 17, 2006 at San Francisco, California.

/s/ HALINA MARCINKOWSKI

Halina Marcinkowski

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address and/or e-mail address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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